

2011 Property Tax Report

LaGrange County

with Comparisons to Prior Years



Legislative Services Agency

August 2011

This report describes property tax changes in LaGrange County between 2010 and 2011, with comparison to changes since 2007. In 2011, the changes from the big tax reform of 2008 were fully phased in with the elimination of the last of the state homestead credits. The 2009 recession affected assessments and local tax credits in many counties. Changes in local levies and assessments also were important in many counties.

Comparable Homestead Property Tax Changes in LaGrange County

The average homeowner saw a 6.6% tax bill increase from 2010 to 2011.

Homestead taxes in 2011 were still 23.3% lower than they were in 2007, before the property tax reforms.

89.3% of homeowners saw lower tax bills in 2011 than in 2007.

75.4% of homeowners saw tax increases of between 1% and 19% from 2010 to 2011.

The largest percentage of homeowners have seen between a 20% and 39% decrease in their tax bills from 2007 to 2011.

	2010 to 2011		2007 to 2011	
	Number of Homesteads	% Share of Total	Number of Homesteads	% Share of Total
Summary Change in Tax Bill				
Higher Tax Bill	5,689	80.6%	751	10.6%
No Change	76	1.1%	8	0.1%
Lower Tax Bill	1,297	18.4%	6,303	89.3%
Average Change in Tax Bill	6.6%		-23.3%	
Detailed Change in Tax Bill				
20% or More	365	5.2%	419	5.9%
10% to 19%	2,654	37.6%	97	1.4%
1% to 9%	2,670	37.8%	235	3.3%
0%	76	1.1%	8	0.1%
-1% to -9%	806	11.4%	341	4.8%
-10% to -19%	379	5.4%	678	9.6%
-20% to -29%	38	0.5%	1,881	26.6%
-30% to -39%	21	0.3%	1,919	27.2%
-40% to -49%	13	0.2%	872	12.3%
-50% to -59%	9	0.1%	323	4.6%
-60% to -69%	9	0.1%	98	1.4%
-70% to -79%	10	0.1%	59	0.8%
-80% to -89%	1	0.0%	44	0.6%
-90% to -99%	3	0.0%	32	0.5%
-100%	8	0.1%	56	0.8%
Total	7,062	100.0%	7,062	100.0%

Note: Percentages may not total due to rounding.

★★★★★★
 LOSS OF STATE HOMESTEAD
 CREDIT, LOWER LOCAL
 HOMESTEAD CREDITS, AND
 HIGHER TAX RATES RAISE
 HOMEOWNER TAX BILLS
 ★★★★★★

Homestead Property Taxes

Homestead property taxes increased 6.6% on average in LaGrange County in 2011. This was more than the state average of 4.4%. LaGrange County homestead taxes were still 23.3% lower in 2011 than they were in 2007, before the big tax reform. The larger-than-average homestead tax increase in 2011 was partly due to the phaseout of the state homestead credit in 2011. The state homestead credit was 3.8% in LaGrange County in 2010. In addition, LaGrange County's local homestead credit declined in 2011, due to a drop in the local income tax revenues that fund it. An increase in tax rates also contributed to the rise in homestead tax bills.

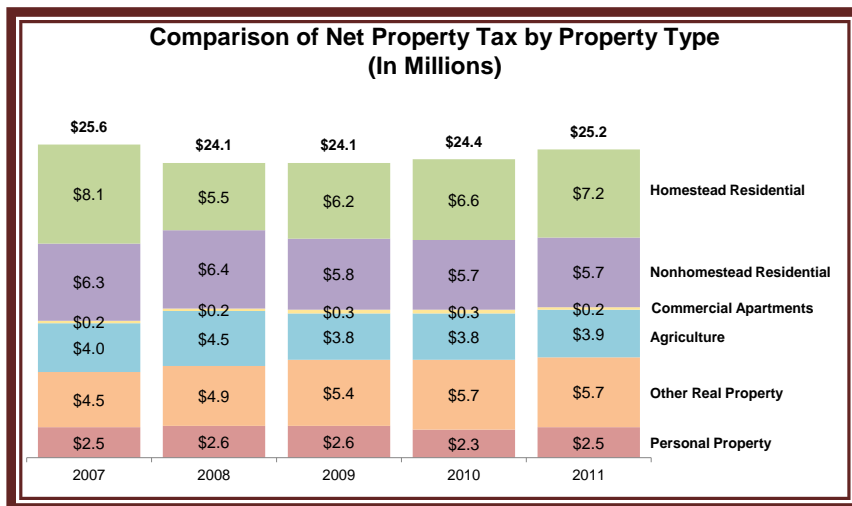
Tax Rates

Property tax rates increased in almost all of LaGrange County tax districts. The average tax rate increased 2.7% because of an increase in the levy coupled with a decline in net assessed value. Levies in LaGrange County increased by 1.4%. The biggest levy increases were in the Westview Schools debt service and bus replacement funds and the Lakeland Schools debt service and bus replacement funds. LaGrange County's total net assessed value declined by 1.4% in 2011. (The certified net AV used to compute tax rates declined by 1.2%.) Homestead and agricultural net assessments decreased by 2.1% and 1.6%, respectively. Other residential assessments showed a small increase at 1.0%, while business net assessments decreased by 2.4%.

★★★★★★
**INCREASED BUSINESS TAXES AND
 DECREASED APARTMENT AND OTHER
 RESIDENTIAL TAXES**
 ★★★★★★

Net Tax Bill Changes - All Property Types

Net tax bills for all taxpayers rose 3.2% in LaGrange County in 2011, similar to the statewide increase of 2.8%. Other residential property, which includes smaller rentals and second homes, saw net tax bills decrease by 0.8%. Tax bills for commercial apartments fell 13.1%. Business tax bills - which include commercial, industrial and utility buildings, land and equipment - increased by 2.9%. These tax bill changes reflect the increase in tax rates and the changes in assessed value for nonhomestead property. Agricultural tax bills rose only 0.8%, despite the 3.2% increase in the base rate assessment of farm land, from \$1,250 to \$1,290 per acre for taxes in 2011.



Tax Cap Credits

Property taxes are capped at 1% of gross assessed value for homesteads, 2% for other residential property (including rental housing and second homes) and farmland, and 3% for business land, buildings, and equipment. Taxpayers receive credits when their tax bills exceed the caps. Credits are revenue lost to local governments.

★★★★★★
**TAX CAP CREDITS INCREASED
 IN 2011**
 ★★★★★★

Total tax cap credit losses in LaGrange County were \$227,701, or 0.9% of the levy. This was less than the state average loss rate of 9.2%, and less than the median value of 3.8% among all counties. Tax rates are the main determinant of tax cap credits, and LaGrange County's tax rates were less than the state median.

More than three-quarters of the total tax cap credits were in the 2% nonhomestead/farmland category. LaGrange County had no district tax rates above \$3 per \$100 assessed value, so no business property in the 3% tax cap category qualified for credits. The largest percentage losses were in the towns of LaGrange and Topeka. These two towns also had the largest dollar losses.

LaGrange County Tax Cap Credits	1%	2%	3%	Elderly	Total	% of Levy
2010 Tax Cap Credits	\$4,231	\$130,461	\$0	\$5,243	\$139,935	0.5%
2011 Tax Cap Credits	27,892	188,535	0	11,274	227,701	0.9%
Change	\$23,661	\$58,074	\$0	\$6,031	\$87,766	0.3%

Tax cap credits rose in LaGrange County in 2011 by \$87,766, or 63%. The additional credits represent an

added loss of 0.3% of the total tax levy. Most of the increase in tax cap credits was in the 2% tax cap category. Tax rate increases in districts where the rate was already above \$2 contributed to this credit rise. The elimination of the state homestead credit and the drop in local income tax revenue that funds local homestead credits caused much of the 1% tax cap credit increase.

The Effect of Recession

The 2009 recession had an effect on LaGrange County assessments for pay-2011. Business, homestead, and apartment property values and construction activity appear to have fallen in LaGrange County in 2009. This assessment decline caused tax rates to increase, despite the modest rise in tax levies. LaGrange County tax rates are low, however, so the tax rate rise did not create large added losses from tax cap credits. Lower incomes in 2009 resulted in lower local income tax distributions in 2011. This resulting local homestead credit reduction helped increase tax cap credit losses for LaGrange County governments.

★★★★★★
**INCOME AND PROPERTY VALUE
 DECLINES IN 2009 ADDED TO TAX CAP
 CREDIT LOSSES IN 2011**
 ★★★★★★

Property Type	Gross AV 2010	Gross AV 2011	Gross AV Change	Net AV 2010	Net AV 2011	Net AV Change
Homesteads	\$1,488,296,740	\$1,482,114,960	-0.4%	\$749,833,440	\$734,309,787	-2.1%
Other Residential	444,298,200	449,061,800	1.1%	442,809,802	447,341,942	1.0%
Ag Business/Land	344,807,260	339,236,300	-1.6%	344,374,360	338,781,790	-1.6%
Business Real/Personal	559,666,012	545,237,831	-2.6%	480,889,321	469,202,330	-2.4%
Total	\$2,837,068,212	\$2,815,650,891	-0.8%	\$2,017,906,923	\$1,989,635,849	-1.4%

Net AV equals Gross AV less deductions and exemptions • Tax rates are calculated on Net AV • Circuit breaker tax caps are calculated on Gross AV

LaGrange County Levy Comparison by Taxing Unit

Taxing Unit	2007	2008	2009	2010	2011	% Change			
						2007 - 2008	2008 - 2009	2009 - 2010	2010 - 2011
County Total	35,217,758	37,055,992	23,103,330	23,138,574	23,468,727	5.2%	-37.7%	0.2%	1.4%
State Unit	49,719	52,592	0	0	0	5.8%	-100.0%		
LaGrange County	6,799,048	7,031,965	5,123,430	5,010,886	5,140,402	3.4%	-27.1%	-2.2%	2.6%
Bloomfield Township	93,443	98,141	94,549	97,750	98,943	5.0%	-3.7%	3.4%	1.2%
Clay Township	77,195	81,251	77,148	79,015	80,440	5.3%	-5.0%	2.4%	1.8%
Clearspring Township	53,714	57,140	53,363	54,008	53,993	6.4%	-6.6%	1.2%	0.0%
Eden Township	44,925	65,375	60,308	61,930	62,396	45.5%	-7.8%	2.7%	0.8%
Greenfield Township	24,800	26,976	27,848	28,802	28,878	8.8%	3.2%	3.4%	0.3%
Johnson Township	107,321	111,991	112,695	115,125	117,452	4.4%	0.6%	2.2%	2.0%
Lima Township	70,919	73,481	73,952	73,150	73,266	3.6%	0.6%	-1.1%	0.2%
Milford Township	54,583	57,482	59,257	61,322	61,256	5.3%	3.1%	3.5%	-0.1%
Newbury Township	128,066	129,689	127,051	126,658	85,619	1.3%	-2.0%	-0.3%	-32.4%
Springfield Township	16,431	19,859	20,717	21,425	21,433	20.9%	4.3%	3.4%	0.0%
Van Buren Township	44,064	47,316	44,515	45,733	45,150	7.4%	-5.9%	2.7%	-1.3%
LaGrange Civil Town	923,480	958,209	988,172	1,026,828	1,052,544	3.8%	3.1%	3.9%	2.5%
Shipshewana Civil Town	682,269	690,318	705,285	732,884	756,434	1.2%	2.2%	3.9%	3.2%
Topeka Civil Town	634,287	672,291	751,411	744,983	800,051	6.0%	11.8%	-0.9%	7.4%
Wolcottville Civil Town	117,892	117,961	127,225	133,486	139,865	0.1%	7.9%	4.9%	4.8%
Prairie Heights Community School Corp	3,270,405	3,574,761	1,833,057	1,738,027	1,608,915	9.3%	-48.7%	-5.2%	-7.4%
Westview School Corp	11,823,421	12,749,850	7,250,174	6,888,774	7,107,704	7.8%	-43.1%	-5.0%	3.2%
Lakeland School Corp	9,447,517	9,675,005	4,807,885	4,673,143	4,934,497	2.4%	-50.3%	-2.8%	5.6%
LaGrange County Public Library	472,329	495,240	518,828	1,225,725	982,421	4.9%	4.8%	136.2%	-19.8%
Northeast Indiana Solid Waste Mgt Dist	167,801	177,497	186,931	198,920	217,068	5.8%	5.3%	6.4%	9.1%
LaGrange Town Redevelopment Comm	24,168	26,380	0	0	0	9.2%	-100.0%		
Shipshewana Redevelopment Comm	52,545	57,244	59,529	0	0	8.9%	4.0%	-100.0%	
LaGrange County Redevelopment Comm	37,416	7,978	0	0	0	-78.7%	-100.0%		
Topeka Redevelopment Comm	0	0	0	0	0				

LaGrange County 2011 Tax Rates, Credit Rates, and Net Tax Rates for Homesteads by Taxing District

Dist #	Taxing District	Tax Rate	Credit Rates						Net Tax Rate, Homesteads
			LOIT PTRC	COIT Homestead	CEDIT Homestead	CEDIT Residential	LOIT Homestead	LOIT Residential	
44001	Bloomfield Township	1.0503	--	--	8.8426%	--	--	--	0.9574
44002	LaGrange Town	2.3261	--	--	8.8426%	--	--	--	2.1204
44003	Clay Township-West	1.2647	--	--	8.8426%	--	--	--	1.1529
44004	Clay Township-East	1.0519	--	--	8.8426%	--	--	--	0.9589
44005	Clearspring Township	1.2341	--	--	8.8426%	--	--	--	1.1250
44006	Topeka Town-Clearspring Township	2.9639	--	--	8.8426%	--	--	--	2.7018
44007	Eden Township	1.2376	--	--	8.8426%	--	--	--	1.1282
44008	Topeka Town-Eden Township	2.9591	--	--	8.8426%	--	--	--	2.6974
44009	Greenfield Township	1.0277	--	--	8.8426%	--	--	--	0.9368
44010	Johnson Township	1.0240	--	--	8.8426%	--	--	--	0.9335
44011	Wolcottville Town	2.1317	--	--	8.8426%	--	--	--	1.9432
44012	Lima Township	1.0463	--	--	8.8426%	--	--	--	0.9538
44013	Milford Township	0.9310	--	--	8.8426%	--	--	--	0.8487
44014	Newbury Township	1.2387	--	--	8.8426%	--	--	--	1.1292
44015	Shipshewana Town	2.3252	--	--	8.8426%	--	--	--	2.1196
44016	Springfield Township	0.9558	--	--	8.8426%	--	--	--	0.8713
44017	Van Buren Township	1.2335	--	--	8.8426%	--	--	--	1.1244
44018	LaGrange-Clay	2.3133	--	--	8.8426%	--	--	--	2.1087
44019	Township Topeka-Eden Farm	1.2055	--	--	8.8426%	--	--	--	1.0989

Notes: A *Taxing District* is a geographic area of a county where taxing units overlap, so the sum of the taxing unit tax rates is the total district rate.

The *Tax Rate* is the gross levy divided by net assessed value, in dollars per \$100 assessed value.

The *LOIT*, *COIT*, and *CEDIT* credits are funded by local income taxes.

The *Net Tax Rate for Homesteads* is calculated by reducing the tax rate by the various credit percentages.

LaGrange County 2011 Circuit Breaker Cap Credits

Taxing Unit Name	Circuit Breaker Credits by Property Type					Circuit Breaker as % of Levy	
	(1%) Homesteads	(2%) Other Residential and Farmland	(3%) All Other Real/Personal	Elderly	Total		
<i>Non-TIF Total</i>	25,140	159,377	0	11,274	195,791	23,468,727	0.8%
<i>TIF Total</i>	2,752	29,158	0	0	31,910	2,439,900	1.3%
<i>County Total</i>	27,892	188,535	0	11,274	227,701	25,908,627	0.9%
LaGrange County	2,749	17,655	0	2,028	22,433	5,140,402	0.4%
Bloomfield Township	65	1,305	0	98	1,468	98,943	1.5%
Clay Township	15	16	0	30	61	80,440	0.1%
Clearspring Township	42	136	0	9	187	53,993	0.3%
Eden Township	25	22	0	2	49	62,396	0.1%
Greenfield Township	0	0	0	6	6	28,878	0.0%
Johnson Township	3	25	0	47	75	117,452	0.1%
Lima Township	0	0	0	39	39	73,266	0.1%
Milford Township	0	0	0	12	12	61,256	0.0%
Newbury Township	24	106	0	31	161	85,619	0.2%
Springfield Township	0	0	0	11	11	21,433	0.1%
Van Buren Township	4	0	0	8	11	45,150	0.0%
LaGrange Civil Town	2,917	44,057	0	2,218	49,191	1,052,544	4.7%
Shipshewana Civil Town	2,462	13,420	0	521	16,404	756,434	2.2%
Topeka Civil Town	7,815	28,408	0	483	36,707	800,051	4.6%
Wolcottville Civil Town	295	2,462	0	134	2,891	139,865	2.1%
Prairie Heights Community School Corp	0	0	0	401	401	1,608,915	0.0%
Westview School Corp	6,459	24,285	0	1,609	32,354	7,107,704	0.5%
Lakeland School Corp	1,622	23,361	0	3,113	28,096	4,934,497	0.6%
LaGrange County Public Library	525	3,374	0	388	4,287	982,421	0.4%
Northeast Indiana Solid Waste Mgt Dist	116	746	0	86	947	217,068	0.4%
LaGrange Town Redevelopment Comm	0	0	0	0	0	0	
Shipshewana Redevelopment Comm	0	0	0	0	0	0	
LaGrange County Redevelopment Comm	0	0	0	0	0	0	
Topeka Redevelopment Comm	0	0	0	0	0	0	
TIF - Bloomfield Township 001	0	0	0	0	0	46,715	0.0%
TIF - Lagrange Corp 002	0	99	0	0	99	230,039	0.0%
TIF - Clay East 004	0	0	0	0	0	3,791	0.0%
TIF - Eden Township 007	0	0	0	0	0	0	
TIF - Topeka Eden 008	2,103	25,966	0	0	28,068	1,211,350	2.3%
TIF - Lima Township 012	0	0	0	0	0	209,731	0.0%
TIF - Newbury Township 014	0	0	0	0	0	104,764	0.0%
TIF - Shipshewana Town 015	649	3,094	0	0	3,743	633,510	0.6%
TIF - Twp Topeka-Eden Farm 019	0	0	0	0	0	0	0.0%

Notes: Circuit breaker tax cap credits are tax savings for taxpayers and revenue losses for local government units. Circuit breaker credits are highest in tax districts with the highest tax rates. These are usually districts that include cities or towns because the municipal tax rate is included in the district tax rate. This means that most circuit breaker credits are in cities and towns and in units that overlap cities and towns.

Circuit Breaker Credit Types:

Homesteads are owner-occupied primary residences and include homestead land and buildings in the 1% tax cap category. Owner-occupied mobile homes and agricultural homesteads are included in this category. This category only includes credits on the portion of the property that qualifies as a homestead.

Other Residential/Farmland includes small rental housing units, larger commercial apartments, second homes, long-term care facilities, and farmland, in the 2% tax cap category.

All Other Real/Personal is commercial, industrial, and utility land and buildings, and business equipment, including agricultural equipment, in the 3% tax cap category. This category also includes credits on the portion of homeowner properties that do not qualify as a homestead.

Elderly includes credits for the 2% annual limit on homestead tax bill increases for low-income homeowners, age 65 and over.

The *Total Levy by Unit* is gross property taxes levied, before all tax credits. For TIF districts, this amount represents the TIF proceeds before circuit breaker credits. This information is included to allow comparison to the circuit breaker revenue losses.

Numbers may not total due to rounding.